

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Audiosears Corporation

New York Manufacturing Extension Partnership

Audiosears, Inc. Increases Customer Base

Client Profile:

Audiosears, Inc., located in Stamford, New York, manufactures high quality telecommunications equipment for the telecommunications industry. For over 50 years, Audiosears has gained increasing recognition and acceptance as a leading domestic manufacturer of custom and standard handsets, headsets, and component parts for most telecommunications applications. Audiosears maintains labs for electrical and mechanical design, maintenance, quality control, and environmental testing in Stamford. The family-owned business employs 150 people.

Situation:

Audiosears experienced increased competition as the telecommunications industry expanded globally. A lack of focused action to address this trend resulted in the loss of several key customers. In addition, manufacturing performance was lagging and business practices were outdated and insufficient to address issues with lead-time, delivery, and quality. Production processes were not standardized nor documented and reliant on the knowledge and skills of long-time employees. The Alliance for Manufacturing and Technology (AM&T), a division of the New York Manufacturing Extension Partnership and a NIST MEP network affiliate, assisted Audiosears in developing a strategic plan and implementation of actions to improve business effectiveness and performance.

Solution:

Audiosears and AM&T analyzed key business processes and identified several areas for improvement -- marketing & sales, quality system, and production. Together they developed a strategic plan to enhance marketing and sales skills, apply Lean methods, and implement an ISO 9001:2000 compliant quality management system.

AM&T and Audiosears identified three primary areas of focus: 1) marketing and sales processes and tools; 2) machining and assembly methods; and 3) adopting ISO 9001:2000 quality system requirements. The sales process at Audiosears consisted primarily of taking orders from existing customers. Marketing to new customers was infrequent and marketing processes were not well defined. AM&T assisted Audiosears marketing and sales personnel in developing a business development plan, defining marketing and sales processes, training sales personnel, creating marketing materials, and exploring various marketing approaches (e.g. using distributors and sales representatives). Manufacturing at Audiosears was primarily organized for batch production and had difficulty handling mixed model demand. AM&T assisted Audiosears assembly and machine shop personnel in applying lean methods to improve workplace organization, reducing machine set-up times, eliminating assembly bottlenecks, and shortening the material flow from receiving to shipping, thereby streamlining production operations. The quality system at Audiosears was highly dependent on multiple inspections during manufacturing to ensure product quality. In addition, existing quality documentation was outdated and did not always reflect current quality practices. AM&T assisted Audiosears quality personnel in adopting ISO 9001:2000 quality system requirements throughout their

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organization as well as creating and implementing the ISO documentation required for certification. As a result of AM&T's assistance, Audiosears has increased its customer base by 83 new customers, reduced lead time by 40 percent, improved on-time delivery by 80 percent, increased first pass lead from 97 percent to 99 percent, and implemented an ISO 9001:2000-based quality management system. In addition, Audiosears has benefited financially through increased orders, resulting in increased cash flow and more funding available for capital investment in equipment and productivity tools.

Results:

- * Retained sales of \$100,000.
- * Realized \$50,000 in cost savings.
- * Invested \$285,000 in capital investments.
- * Created/retained 15 jobs.

Testimonial:

"AM&T consultants worked with us to develop a strategic plan which led to a training initiative that incorporated Lean manufacturing, ISO, and a sales and marketing program. The program revitalized our company and positioned us as a true global competitor. We now have an organized, efficient, confident workforce that will strive to grow this company and ensure employment. I would strongly recommend AM&T's services to any company looking for improvement. Their style and work ethics are superb, and our company will continue its success as a result of their training efforts."

Shawn Hartwell, VP and COO